
PERSPECTIVES

Strength Through Cooperation Security Cooperation Conference 2001

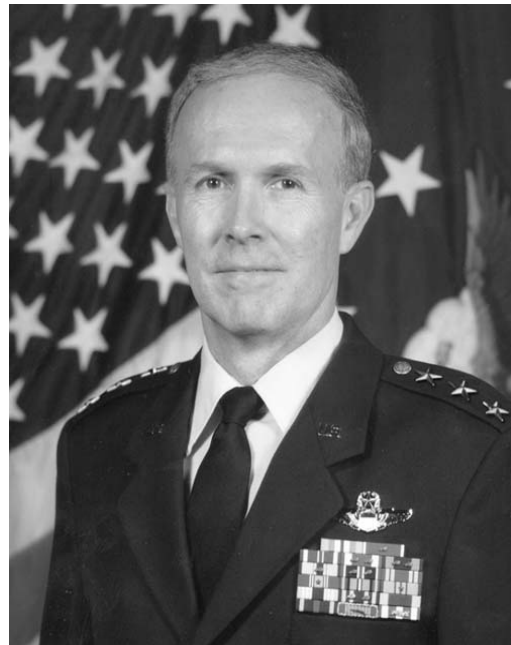
By

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In the winter issue of the *DISAM Journal*, we hope to provide additional articles on the status of the many initiatives announced during this conference. The following is a summary of events from the Security Cooperation Conference.

Lieutenant General Tome H. Walters, Jr., USAF, Director of the Defense Security Cooperation Agency (DSCA), opened the annual Security Cooperation conference to an audience of over 400 people representing the United States government, U.S. industry, and international customers. He offered that September 11, 2001 was the end of the Post-Cold War Era, and that there had been thought of canceling the conference in the wake of the terrorist attacks. The decision had been made to go on with the conference as a statement as to what is possible when nations join together to confront a common challenge.

The Congressional key speaker, Representative Henry J. Hyde, Republican from Illinois, followed Lt. Gen. Walters. Representative Hyde is the chairman of the House Committee on International Relations. He emphasized that while we need to deal with the current crisis, we must develop a long-term foreign policy strategy. Representative Hyde's comments are included on page 113 of this *Journal*; they are also available on the DSCA web page www.dsca.osd.mil.



Dr. Vance D. Coffman, Chairman and CEO of Lockheed Martin was the industry key speaker. He discussed the streamlining of the foreign military sales (FMS) and export processes. He also described how the defense industry had adapted to the Post-Cold War Era by streamlining themselves to remain competitive. He also emphasized the importance of Trans-Atlantic defense market integration. Look for Coffman's remarks in the winter issue of the *DISAM Journal*. They are also available on the DSCA web site.

The third key speaker of the day was the Honorable Lincoln P. Bloomfield, Jr., Assistant Secretary of State, Bureau of Political-Military Affairs. Secretary Bloomfield spoke about the role of the Bureau of Political-Military Affairs (State/PM).

The key speaker for the Department of Defense was Peter Flory, the Principal Deputy Assistant Secretary of Defense (International Security Affairs). He discussed the benefits of our past security cooperation programs.

A presentation by the Netherlands defense cooperation attaché, Dirk Habig, praised the reinvention efforts of the last year, but also stated that there was more work to be done, especially in implementation of the latest initiatives.

The last session of the day consisted of a panel discussion. The panel included Lieutenant General Tome H. Walters, Director of DSCA; Rear Admiral Larry Newsome, Director of Navy International Programs Office; Mr. Willard Mitchell, Deputy Under Secretary of the Air Force, International Affairs; and Mr. Craig Hunter, Assistant Deputy Under Secretary of the Army, International Affairs (Security Cooperation).

Lieutenant General Walters opened the panel discussion with the remark that the first day of the conference was an overview of security cooperation and that the second day would be a closer look at the reinvention initiatives the integrated process teams (IPTs) had developed. He also commented on the wide range of perspectives given by each of the day's speakers. Also, Lt. Gen. Walters announced the formation of a response cell in support of Operation Enduring Freedom with Jeannie Farmer (DSCA/ERASA) as the focal point for coalition partners' fast track needs. He requested that each service establish a parallel response cell to track requirements on a daily basis. Rear Admiral Newsome provided a slide presentation on the different initiatives the Navy has been working on internally, including hybrid cases and electronic letter of offer and acceptance (LOA) processing. Mitchell discussed the need for case managers to have plans in place for accelerated deliveries in support of our allies and coalition partners. He also added that we must not get sidetracked from the reinvention efforts. With regards to the Air Force, he mentioned activity-based costing and strategy-driven security cooperation. Hunter reiterated the three main points that speakers had made throughout the day: the need for a long term strategy, Trans-Atlantic alliances/cooperation, and technology transfer. The panel was then opened to questions from the conference attendees.

Lieutenant General Walters closed the conference for the day by thanking the speakers for presenting the different perspectives on security cooperation. He also reminded the attendees that reinvention initiatives would be discussed the following day.

Lieutenant General Walters opened the second day of the conference with a short explanation of who has responsibility for technology transfer. Then, Lieutenant General Walters announced that this day would be the last day for the term "reinvention." He explained that he took the twenty-one IPTs that were present at the beginning of his tenure and reduced them to four. This was the day where the ten initiatives the IPTs had been responsible for would be unveiled. Lieutenant General Walters stressed that these were not the end of the process, but rather a beginning to build upon.

Fred Beauchamp, Chief of Strategic Planning and Reinvention at DSCA, introduced the ten initiatives. He explained that the IPTs included members from all aspects of the FMS business: customers, industry and U.S. government. The ten initiatives were unveiled.

- **Team International** - A team consisting of the international customer, military department members, and U.S. industry will form at the beginning of the sales process in order to determine requirements. This will be especially critical for the introduction of a system, multiple services' involvement in a platform, and for non-standard platforms.

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- **Standby Letter of Credit** - Use a standard commercial banking process in lieu of collection of termination liability.
 - **Payment Schedule Reform** - Reviewed and revised current methodology. Rewrote policy.
 - **Customer Participation in Contract Process** - Encourage customer participation in discussions unique to the customer, but safeguard proprietary information of the defense contractor.
 - **Customer Satisfaction Index** - Computer generated survey to be used to encourage feedback and allow for the focusing on most significant concerns. To be administered yearly and at various stages in the LOA process.
 - **Electronic LOA Coordination** - Currently have electronic countersignature. Eventually to pass the entire letter of request (LOR) to LOA process electronically. Will utilize the Defense Security Assistance Management System (DSAMS) and e-mail to accomplish this. (See the article "Electronic Case Coordination and Tracking - Team Effort" beginning on page 126 in this *Journal*.)
 - **Web-based Security Assistance Customer Handbook** - Currently in draft for use as a basic tutorial and refresher. Provides a condensed description of the FMS process and provides links to documents like the *Security Assistance Management Manual* (SAMM).
 - **Guide on How to Write a Letter of Request Guide** - Located on CD-ROM and on the worldwide web on the DSCA website. Goal is to reduce time spent writing the LOA by getting detailed information from the customer in the initial request.
 - **Improvement of Case Closure and Case Reconciliation Processes** - Convincing all implementing agencies to adopt the same procedures for Accelerated Case Closure Program (ACCP). Recruiting more customers for the ACCP. Setting up ACCP case reviews at the implementing agencies.
 - **Work Force Initiatives** - Recognized that international affairs career personnel need more career development. Developed ideas for a certification program, internship program, and advanced degree program.

For the next one and one half-hours, conference attendees attended break out sessions that provided more detailed information about the initiatives. Everyone attended the initial session regarding business process initiatives. Then, people had the opportunity to sit through two of the three remaining IPT presentations (partnering initiatives, training and career development initiatives, and finance initiatives).

The final session was an update of the Case Execution Management Information System (CEMIS) project by Freda Lodge, Requirements Officer, DSCA. She explained that the goal was to take four existing legacy systems and consolidate them into one to provide improved support, quality, and timeliness. The legacy systems to be consolidated are the Army's Centralized Integrated System for International Logistics, the Navy's Management Information System for International Logistics, and the Air Force's Security Assistance Management Information System and Case Management Control System. CEMIS will also allow for standardization, integration, and for continuous business process reengineering. Lodge also assured the attendees that the process was being done in accordance with the Department of Defense acquisition process. The first step was a deficiency analysis of existing systems and was completed in March 2001. The

mission needs statement was completed in May 2001. The operational requirements document is due to be completed in December 2001.

Lieutenant General Walters concluded “Security Cooperation 2001, Strength Through Cooperation”, by stating that he was personally satisfied by the accomplishments of the IPTs, but there was still work to be done. He closed out the partnering initiatives and training and career development IPTs. From the partnering IPT, the initiatives will go to the services for ownership, implementation, and execution. As for the training and career development IPT initiatives, they will become a joint effort by DSCA and the services. The finance IPT is to remain, but it will be broken into specialized teams to discuss cooperative logistic supply support arrangements (CLSSAs), surcharges, and the military articles and services list (MASL). Included with the MASL team, will be a scrub and review of the current MASL structure. The finance IPT will also review the policies they have already developed. From the business process IPT, the customer satisfaction index will be handed over to the services for implementation and adaptation. The business process IPT will now look at the FMS best practices suggested by the services.

Lieutenant General Walters also mentioned the move towards developing activity-based costing and performance-based budgeting. DSCA is also preparing security cooperation defense guidance that will be completed by January 1, 2002. It will be used to make budget submissions for the next fiscal year, and marry the budgeting process to a long-term corporate strategy.

The Director also stated that he expects FMS sales for fiscal year 2001 to reach thirteen billion dollars. The figure currently was at 12.8 billion dollars. He also announced that once he had the statistics as to how much time is saved by using electronic countersignature, he will reduce the current metric for development of LOAs (120 days for 80 percent of cases) to around 110 days for 80 percent of cases. This will not cause hardship for the implementing agencies as this time will come from the DSCA countersignature process. (See article “Electronic Case Coordination and Tracking - Team Effort,” beginning on page 126 of this *Journal*.) He expects this to take affect within the next few months.

The conference ended with attendees feeling accomplishments had been made with regards to making the FMS process better. They also knew that much work lies ahead. Look for excerpts of all the key speakers in the upcoming issue of the *DISAM Journal*.

About the Author

Lieutenant Dana J. Clay is a U.S. Navy surface warfare officer and has been assigned to Defense Institute of Security Assistance Management since 2000. In addition to being an instructor, she is also the Americas regional studies back-up director and the anti-terrorism/force protection functional coordinator. She holds a Bachelor of Science degree from the U.S. Merchant Marine Academy.